

**ASSEMBLY BILL**

**No. 2196**

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**Introduced by Assembly Member Chesbro  
(Coauthor: Assembly Member Skinner)**

February 23, 2012

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An act to amend Section 25741 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2196, as introduced, Chesbro. Renewable energy resources.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing board. The existing Renewables Portfolio Standard Program (RPS program) requires a retail seller of electricity, as defined, and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources, as defined, for specified compliance periods. The specified minimum quantities of electricity products are based upon a percentage of the utility's total retail sales of electricity in California.

This bill would provide that if the RPS program eligibility of a facility is based on the use of landfill gas, digester gas, or another renewable fuel delivered to the facility through a common carrier pipeline, the transaction, including the source of the fuel and delivery method, shall meet certain conditions, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 25741 of the Public Resources Code is amended to read:

25741. As used in this chapter, the following terms have the following meaning:

(a) “Renewable electrical generation facility” means a facility that meets all of the following criteria:

(1) The facility uses biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

(2) The facility satisfies one of the following requirements:

(A) The facility is located in the state or near the border of the state with the first point of connection to the transmission network of a balancing authority area primarily located within the state. For purposes of this subparagraph, “balancing authority area” has the same meaning as defined in Section 399.12 of the Public Utilities Code.

(B) The facility has its first point of interconnection to the transmission network outside the state, within the Western Electricity Coordinating Council (WECC) service area, and satisfies all of the following requirements:

(i) It commences initial commercial operation after January 1, 2005.

(ii) It will not cause or contribute to any violation of a California environmental quality standard or requirement.

(iii) It participates in the accounting system to verify compliance with the renewables portfolio standard once established by the commission pursuant to subdivision (b) of Section 399.25 of the Public Utilities Code.

(C) The facility meets the requirements of clauses (ii) and (iii) in subparagraph (B), but does not meet the requirements of clause (i) of subparagraph (B) because it commenced initial operation prior to January 1, 2005, if the facility satisfies either of the following requirements:

(i) The electricity is from incremental generation resulting from expansion or repowering of the facility.

1 (ii) Electricity generated by the facility was procured by a retail  
2 seller or local publicly owned electric utility as of January 1, 2010.

3 (3) If the facility is outside the United States, it is developed  
4 and operated in a manner that is as protective of the environment  
5 as a similar facility located in the state.

6 (4) *If eligibility of the facility is based on the use of landfill gas,*  
7 *digester gas, or another renewable fuel delivered to the facility*  
8 *through a common carrier pipeline, the transaction, including the*  
9 *source of the fuel and delivery method, meets conditions*  
10 *comparable to Section 399.16 of the Public Utilities Code and is*  
11 *verified pursuant to the accounting system established by the*  
12 *commission pursuant to 399.25 of the Public Utilities Code, or a*  
13 *comparable system, as determined by the commission.*

14 (b) “Municipal solid waste conversion,” as used in subdivision  
15 (a), means a technology that uses a noncombustion thermal process  
16 to convert solid waste to a clean-burning fuel for the purpose of  
17 generating electricity, and that meets all of the following criteria:

18 (1) The technology does not use air or oxygen in the conversion  
19 process, except ambient air to maintain temperature control.

20 (2) The technology produces no discharges of air contaminants  
21 or emissions, including greenhouse gases as defined in Section  
22 38505 of the Health and Safety Code.

23 (3) The technology produces no discharges to surface or  
24 groundwaters of the state.

25 (4) The technology produces no hazardous wastes.

26 (5) To the maximum extent feasible, the technology removes  
27 all recyclable materials and marketable green waste compostable  
28 materials from the solid waste stream prior to the conversion  
29 process and the owner or operator of the facility certifies that those  
30 materials will be recycled or composted.

31 (6) The facility at which the technology is used is in compliance  
32 with all applicable laws, regulations, and ordinances.

33 (7) The technology meets any other conditions established by  
34 the commission.

35 (8) The facility certifies that any local agency sending solid  
36 waste to the facility diverted at least 30 percent of all solid waste  
37 it collects through solid waste reduction, recycling, and  
38 composting. For purposes of this paragraph, “local agency” means  
39 any city, county, or special district, or subdivision thereof, which  
40 is authorized to provide solid waste handling services.

- 1 (c) “Renewable energy public goods charge” means that portion  
2 of the nonbypassable system benefits charge required to be  
3 collected to fund renewable energy pursuant to the Reliable Electric  
4 Service Investments Act (Article 15 (commencing with Section  
5 399) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities  
6 Code).
- 7 (d) “Report” means the report entitled “Investing in Renewable  
8 Electricity Generation in California” (June 2001, Publication  
9 Number P500-00-022) submitted to the Governor and the  
10 Legislature by the commission.
- 11 (e) “Retail seller” means a “retail seller” as defined in Section  
12 399.12 of the Public Utilities Code.